

Coast Guard Port Security Initiatives Post 9/11/2001

March 8, 2004



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Agenda

- Importance of the maritime sector
- MHLS Strategy
- Progress since 9/11
- MTSA Implementation



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Maritime Sector Importance

- Until 9/11, focus of maritime industry was on efficiency, not security
- Over 95% of non-North American trade enters through US seaports
- Accounts for 2 B tons and \$800 B of domestic and int'l freight annually
- 26k miles of commercial waters serving 361 ports...over 5,000 marine terminals
- 3.3 B barrels of oil imported annually



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Maritime Sector Significance (cont'd)

- 6 M cruise ships passengers carried each year from US ports
- Ferry systems transport 180 M passengers annually
- 110,000 commercial fishing vessels that contribute \$111 B to state economies
- 8,000 foreign vessels make 50,000 port calls annually
- Domestic and int'l trade expected to double in next 20 years



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Maritime Strategy

- “One Team, One Fight”
- One face at the border--commercial efficiency
- Safety and Security-- two sides of same coin
- Very conscious of industry’s concerns-- used risk management to ensure direct risk reduction benefit



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Maritime Strategy (cont'd)

Reducing maritime security risks:

1. Increase awareness
2. Build and administer an effective int'l maritime security regime
3. Increase “our” (federal, including DOD, state and local) operational presence
4. Improve our response posture



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CG Progress Since 9/11

- Prior 9/11, CG committed less than 2% of its assets to active port security duty; after 9/11, the Coast Guard surged nearly 60% of assets in support of port security.
- Rebalanced assets to provide roughly 28% of assets in coverage of port security—current state.



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CG Progress Since 9/11 (cont'd)

- Before 9/11, required 24-hour advance notice of foreign vessel arrivals--increased that to 96 hours.
- Before 9/11, required info only on hazardous cargo; now require more detailed info, visibility, and risk awareness of cargo, passengers, and crew.



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CG Progress Since 9/11 (cont'd)

- Before 9/11, no mandatory ship tracking requirement; now int'l agreement to accelerate AIS requirements and propose that a long-range tracking device be required globally
- Before 9/11, had fairly rudimentary maritime intelligence structure & capability; now robust intelligence program. Membership in the National Intelligence Community and interagency information sharing



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CG Progress Since 9/11 (cont'd)

Expanded security capabilities include:

- Positive control boardings
- new Marine Safety and Security Teams
- additional security boats and ships and additional personnel
- vertical insertion and use of force from helicopters, and
- additional boat stations (Valdez, Boston, DC)



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CG Progress Since 9/11 (cont'd)

- Since 9/11/2001 developed comprehensive domestic security regulation and international security convention (MTSA-ISPS)
- Will be enforced effective 1 July 2004
- Specialized maritime security levels tied to the national alert system.



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Implementing the Strategy

- Provide coordinated, systematic, fused intelligence of our maritime coastal areas and approaches
- Implementing the Maritime Transportation Security Act ... an effort that bears directly on the theme of this presentation



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Maritime Transportation Security Act of 2002

- Aligns with ISPS Code/SOLAS
- Signed into law on 25 Nov, 2002
- Six Temporary Interim Rules on July 1, 2003
- Final Rules published October 22, 2003
- MTSA aligned with the ISPS Code to avoid redundancies and inconsistencies



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MTSA-ISPS Implementation

- Regulations standardize security measures to protect the nation's ports and waterways from a terrorist attack.
- Requirements include port security committees, port-wide security plans, vulnerability assessments and security plans for port facilities and vessels.
- Impact: approx. 10K domestic vessels, 3.5K facilities, 8K foreign vessels.
- Costs = \$1.5B first year, \$7B over 10 years.



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MTSA-ISPS Implementation (cont'd)

- System designed based on risk mitigation minimizing negative impact to the MTS and industry
- Set standard
- Industry helped define the response
- Key is consistency—among companies, among states, and among countries



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MTSA-ISPS Implementation (cont'd)

- Performance-based measures allow those regulated to select the best measures for their vessel or facility
- Industry trade associations encouraged to customize security standards to their industry segment through Alternative Security Programs
- Allows for "equivalent levels of security" to recognize more cost-effective ways of attaining the same security level.



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MTSA-ISPS Implementation (cont'd)

- Regs ensure consistency among operators on the waterfront so that monies spent on security will not put a facility at a competitive disadvantage
- Upgrading security measures may lower insurance costs, and reduce theft (about \$4 billion/yr)
- Facility security plans approved by the local COTP/FMSC ensure security measures commensurate with risks related to unique local conditions



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MTSA-ISPS Implementation (cont'd)

- Port security grant program provides funds to industry to defer security costs
- Regs will minimize costs by ensuring consistency among state and local jurisdictions



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MTSA-ISPS Implementation (cont'd)

- Int'l agreement ensures US will not be put at a competitive disadvantage with global trading partners
- Policies based on reward for good behavior: Port State Control provides incentives for compliance by foreign flag vessels



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Partnerships Are Key

- CG has worked with the private sector to ensure regs are consistent and fair, while minimizing the cost of security and the impact on the flow of commerce
- Key to this initiative is strong partnerships
- We cannot let our guard down
- No one agency ... or one company...can do this alone



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